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Letter dated 15 April 2009 from the Permanent Representative of Turkmenistan to the United Nations addressed to the Secretary-General

I have the honour to convey to you information on the reforms concerning the revitalization of villages in Turkmenistan (see annex).

I would appreciate it if you could kindly circulate the attached information as a document of the General Assembly under agenda item 49.

(*Signed*) Aksoltan **Ataeva**
Permanent Representative

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Annex to the letter dated 15 April 2009 from the Permanent Representative of Turkmenistan to the United Nations addressed to the Secretary-General

[Original: Russian]

Reforms for the revitalization of villages in Turkmenistan

One of the main aims of Government policy is to strengthen Turkmenistan's economy and enhance the well-being of the Turkmen people. In 2009 more than 19 trillion manat has been allocated to the development of various sectors of the national economy, 42.8 per cent more than in 2008.

The main area of employment in Turkmenistan is agriculture. The successful implementation of the planned economic and socio-political reforms and the achievement of significant improvements in people's well-being depend on the depth and effectiveness of the reforms in rural areas. This feature of the economy is also determined by the existence of favourable climate conditions for agricultural production, the supply of land and demographic characteristics: more than half of the population of Turkmenistan (57.9 per cent) lives in rural areas. The agricultural sector of the economy has undergone fundamental reorganization. Since mid-1995, all of the country's collective and State farms have been abolished. Reform has focused on transferring land to private use and long-term lease and expanding the size of privately held plots. Single-person daikhan (peasant) farms have become widespread and peasant associations of several farms have been formed.

Recently, employment has increased significantly in a number of sectors that are key to progress in the country's economic development. The number of people employed in industry has increased significantly (by a factor of 1.8) and the employment pattern has changed substantially: more people are working in manufacturing, which indicates that the level of employment in the commodity sector has fallen. Since 1993 Turkmenistan has been providing its citizens with free gas, electricity, water, salt and medical services and the opportunity to receive free secondary and higher education.

The Government has also taken steps to stimulate private agricultural production. Farmers are offered preferential loans at an annual interest rate of 1 per cent and preferential tax treatment, and half of their expenditure on technical services is covered by the State. Taxes on livestock and poultry and on privately held plots of land and the structures built on them have been waived.

In order to strengthen targeted support for the population, fundamental reform of the social security system has begun. A new Social Security Code of Turkmenistan has been adopted and has significantly changed the approach to the calculation of retirement pensions and State benefits. The Code places special emphasis on measures for the protection of motherhood and childhood, including in rural areas, and new types of universal benefit that are paid irrespective of income have been introduced. In view of the exceptional urgency and importance of reforming agriculture in order to raise it to an advanced level, a new strategy of fundamental reform in this important sector was drawn up in March 2007. The economic, legal and organizational basis for reform of the country's agro-industrial complex has been established and laws on daikhan associations, daikhan farms and

archins (local government heads) have been adopted with the aim of improving industrial relations in rural areas and enhancing the system of State payments to farmers.

The steps taken by the Government have helped to revitalize agriculture and increase production in the sector. In 2007, 588 peasant associations, 1,700 daikhan farms and 714,600 family-owned personal plots were engaged in agricultural production. Some 88.4 per cent of all irrigated arable land in Turkmenistan has been leased. The number of leaseholders engaged in crop production has reached 443,900, while in animal husbandry the number is 23,300. Gross agricultural output in 2007 was 31.9 trillion manat, which represented a 19 per cent increase compared to the previous year.

The President's large-scale National Programme to upgrade social and living conditions in villages, towns, cities, etraps (districts) and etrap centres for the period up to 2020 is aimed at establishing modern socio-economic infrastructure in rural areas.

This is a phased long-term Programme covering three periods: 2008-2010, 2011-2015 and 2016-2020. Some 4 billion dollars will be allocated from the State budget for the first phase alone.

The Programme covers all areas of social development: education, health care, nursery schools, culture and sport. It provides for the establishment of modern socio-economic infrastructure in the regions in the following main areas: the construction of hospitals, houses and health centres, schools and nursery schools with multimedia equipment, libraries, cultural centres, sports schools and facilities, water supply and sewage systems, wells, highways, gas pipelines, power lines and installations, the development of a communications system and the construction of housing. In the period to 2020, 5,222,400 square kilometres of comfortable housing is to be built.

In all velayats (regions), modern medical diagnostic centres provided with the latest equipment have been built and brought into operation. In 2007 the President of Turkmenistan signed a decision on the construction of mother and child health centres in all velayats. Such centres have been brought into operation in two of the five velayats.

A large-scale home-building programme is under way in Turkmenistan, including in rural settlements. Comfortable, well-designed homes are being transferred to the private ownership of citizens on preferential terms: a 30-year loan period, with part of the cost paid by an organization.

Under the National Programme, new etraps (districts) have been formed and, in existing ones, facilities have been improved. Companies in key sectors of the economy have built more than 40 socio-economic facilities in these etraps: cultural centres, an automatic telephone exchange with telegraph services, Internet access and mobile communications equipment, a market and shopping centre, houses, schools, health centres equipped with the latest medical equipment, and hospitals. In the new etraps, modern social and engineering infrastructure is being established.

In 2008, approximately 1 million tons of grain and more than 1 million tons of cotton were harvested, and arrangements were made to pay daikhans for their produce. A great deal of work was carried out with regard to the management of

land and water resources, the introduction of advanced agricultural technology and the modernization of the production infrastructure in the food sector. Through targeted support to State and private enterprises in the agroprocessing and food industry, an abundance of varied, high-quality and affordable domestically produced foodstuffs is now available to consumers.

In comparison with the same period last year, output of practically all types of agricultural produce in Turkmenistan has increased, which in turn has had a positive impact on the financial situation in the sector.

In order to increase the volume of agricultural output, particular attention is being paid to improving land fertility and crop yield, including through expert crop rotation, the use of elite seeds and biotechnology, and regional climate-specific specialization. Extensive work is under way to ensure the proper use of chemicals in the agricultural industry, improve the condition of reclaimed land, manage water resources, introduce drip irrigation, and develop livestock selection and breeding.

Today, the Government of Turkmenistan is demanding a more responsible and strictly scientific approach to issues such as the sector's transition to market principles, the development of rural entrepreneurship and the establishment of small and medium-sized individual businesses that will engage in the production, stockpiling, processing, storage, transport and sale of agricultural produce. The provision of high-quality agricultural produce requires the modernization of existing businesses in the food industry and the construction of new grain elevators and mill complexes. There is a need to address issues relating to the opening of specialized shops selling agricultural equipment and spare parts in the velayats.

Science plays a key role in the agricultural sector and should have a significant impact on the development of rural areas. Information centres, specialized science centres, breeding stations and biological laboratories will be set up in every velayat for the study and dissemination of global experience and the conduct of scientific research and practical workshops. For the training of qualified agricultural experts, an agricultural institute will be opened in Dashoguz velayat, along with vocational technical schools and all kinds of education centres in the etraps, in addition to the existing Agricultural University in Ashgabat.

The creation of decent living and working conditions is a prerequisite for the success of all the planned reforms, particularly in agriculture. There is no doubt that the whole package of measures being taken by the Government of Turkmenistan to stimulate agricultural production will help to boost business activity and eventually strengthen the country's food independence.